



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE DEPARTMENT

STATE HOUSE • BOSTON 02133

(617) 725-4000

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

May 18, 2007

To the Honorable Senate and House of Representatives:

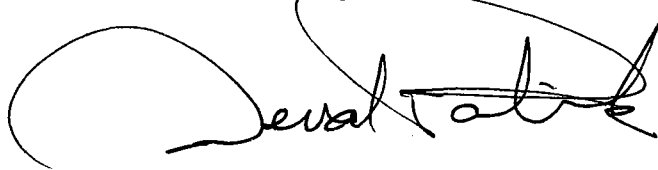
I am filing for your consideration the attached legislative proposal, entitled, "An Act Amending the Law Providing Incentives to the Motion Picture Industry."

This legislation builds on the success of a 2005 law that created state income tax credits to encourage motion picture production in Massachusetts and also established a sales tax exemption. With a proven track record, this legislation will further grow the state's film and television economy: in only fifteen months since the 2005 tax credit legislation took effect, three studio films have been made in Massachusetts, while prior to the legislation, only four studio films were made in seven years. Massachusetts has long been a leader in the creative arts industry with our beautiful locations and skillful crew base, and as a result, many great movies have been made here. But beauty and talent are not enough to entice movie and television industry to do business in the Commonwealth.

Massachusetts must maintain its competitive edge, and this legislation propels the state to the forefront by removing the \$7 million dollar cap on the tax credits; lowering the \$250,000 floor to \$50,000 for purposes of both the income tax credit and sales tax exemption; increasing the percentage of payroll to be credited from 20% to 25%; and adding "digital media project" to the definition of motion picture. This legislation will potentially bring tens of millions of dollars in new investment and economic activity to the Commonwealth, along with high paying and environmentally clean jobs.

Fostering a stronger, healthier creative economy is vital to keeping jobs and citizens within the borders of the Commonwealth. Accordingly, I urge your early and favorable consideration of this bill, which would ensure that Massachusetts continues to be a competitive leader in hosting the film and television industry.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deval Patrick". The signature is fluid and cursive, with a large loop at the beginning and a stylized end.



The Commonwealth of Massachusetts

IN THE YEAR TWO THOUSAND seven

AN ACT AMENDING THE LAW PROVIDING INCENTIVES TO THE MOTION PICTURE INDUSTRY.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. The first sentence of the definition of "Motion picture" in paragraph (1) of subsection (1) of section 6 of chapter 62 of the General Laws, inserted by section 1 of chapter 158 of the acts of 2005, is hereby amended by inserting after the word "video" the following words:- , digital media project.

SECTION 2. Paragraph (2) of subsection (1) of section 6 of chapter 62, as so inserted, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:- The credit shall be equal to 25 per cent of the total aggregate payroll paid by a motion picture production company that constitutes Massachusetts source income, when total production costs incurred in the commonwealth equal or exceed \$50,000 during the taxable year.

SECTION 3. Subsection (1) of section 6 of chapter 62, as so inserted, is hereby further amended by striking out paragraph (6).

NOTE. — Use ONE side of paper ONLY. DOUBLE SPACE. Insert additional leaves, if necessary.

SECTION 4. The first sentence of the definition of "Motion picture" in subsection (a) of section 38T of chapter 63 of the General Laws, inserted by section 2 of chapter 158 of the acts of 2005, is hereby amended by inserting after the word "video" the following words:- , digital media project.

SECTION 5. Subsection (b) of section 38T of chapter 63, as so inserted, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:- The credit shall be equal to 25 per cent of the total aggregate payroll paid by a motion picture production company that constitutes Massachusetts source income, when total production costs incurred in the commonwealth equal or exceed \$50,000 during the taxable year.

SECTION 6. Section 38T of chapter 63, as so inserted, is hereby further amended by striking out subsection (f).

SECTION 7. The first sentence of the definition of "Motion picture" in section 1 of chapter 64H of the General Laws, inserted by section 3 of chapter 158 of the acts of 2005, is hereby amended by inserting after the word "video" the following words:- , digital media project.

SECTION 8. The second paragraph of paragraph (ww) of section 6 of chapter 64H of the General Laws, inserted by section 4 of chapter 158 of the acts of 2005, is hereby amended by striking out the figure "\$250,000" and inserting in place thereof the following figure:- \$50,000.

SECTION 9. The third sentence of the third paragraph of paragraph (ww) of section 6 of chapter 64H, as so inserted, is hereby amended by striking out the figure "\$250,000" and inserting in place thereof the following figure:- \$50,000.

SECTION 10. Not later than December 31 of each year, the commissioner of revenue shall report in writing to the house and senate committees on ways and means on: (a) the motion picture production activity generated by this act and by chapter 158 of the acts of 2005, and (b) the net revenue effect of those acts.